



Partially reprinted from longer article - *Pee Wee's Grill Failure Touches Roto-Rooter, Bimbo Bakeries, GM*  
dated 06/05/2008

### **`Massive Overbuild'**

In Brentwood, 15,841 homes were in foreclosure as of June 2, according to RealtyTrac, an Irvine, California, company that monitors mortgage defaults.

California, Nevada and Arizona lead the U.S. in foreclosure rates, according to RealtyTrac. Through April, one in every 146 Nevada homes was in foreclosure, as was one in every 204 in California and one in every 224 in Arizona. Across the country, the April foreclosure rate was 65 percent higher than a year earlier, RealtyTrac found.

``We've really been on the front lines of the whole housing bubble," said Dean Martin, Arizona's state treasurer. ``We're like someone who partied hard on Friday night and woke up with the worst headache on Saturday morning. We're really feeling the effects of the hangover."

Newly constructed five-bedroom homes in Brentwood that would have once sold for \$800,000 are now priced at \$450,000, said Nolte, the Pee Wee's patron, a contractor who owns a demolition and asbestos-removal business.

``You had a massive overbuild," he said. ``People were sucked up quick by subprime loans."

**By Michael Janofsky and Dan Levy** Bloomberg News